

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 513 - HB 471

February 25, 2023

**SUMMARY OF BILL AS AMENDED (003781):** Enacts the *Tennessee Landowner Bill of Rights*. Prohibits a metropolitan government from requiring a landowner to dedicate a real property interest to or pay money to the metropolitan government in an amount that is determined on an individual and discretionary basis, unless there is an essential nexus between the dedication or payment and a legitimate local governmental interest, and the dedication or payment is roughly proportional both in nature and extent to the impact of the proposed use or development of the property.

Provides that if a metropolitan government requires a landowner to dedicate a real property interest or pay money as a condition for approval, the metropolitan government shall, upon written request of the landowner, provide a written explanation.

Authorizes a landowner who is not satisfied with the explanation to seek relief through a common law writ of certiorari in chancery court. Requires a metropolitan government to pay damages, reasonable attorney fees, and court costs to a landowner who prevails.

Prohibits a metropolitan government or official from: (1) conditioning certain approvals and (2) discriminating against or offering preferential treatment to a private entity, based upon the private entity being a party to a community benefits agreement.

Requires the metropolitan planning commission to hold a public hearing prior to adopting subdivision regulations and provides that no new regulation is effective until approved by ordinance of the metropolitan council. Requires all existing subdivision regulations to be ratified by an ordinance with one year of the effective date of the act.

Requires a metropolitan planning commission, when deciding whether to approve a subdivision plat, to base its decision solely upon compliance with the subdivision regulations and the applicable zoning ordinance.

**FISCAL IMPACT OF BILL AS AMENDED:**

**Other Fiscal Impact – The extent of any mandatory impact on local government revenue and expenditures due to relief granted to landowners cannot be reasonably determined. \***

Assumptions for the bill as amended:

- Public Chapter 1128 of the 112<sup>th</sup> General Assembly prohibited regional and municipal planning commissions from requiring an owner of private property to dedicate real property or pay money on an individual and discretionary basis, unless certain circumstances apply.
- It is assumed that Public Chapter 1128 would also apply to the planning commission of a metropolitan government; therefore, any fiscal impact to local government is estimated to be not significant.
- It is not known how many landowners would request a written explanation from a metropolitan government; however, it can reasonably be assumed that this provision would not have a significant impact on local expenditures.
- The proposed legislation authorizes a landowner who is not satisfied with the written explanation to seek relief through a common law writ of certiorari in chancery court.
- It is unknown how many landowners will seek such relief through a chancery court.
- In the event that a landowner seeks and is granted relief through a common law writ of certiorari, the metropolitan government would be responsible for damages, attorney fees, and court costs. Any impact to local government revenue or expenditures cannot be reasonably determined.
- It is estimated that any increase to caseloads of the chancery courts can be absorbed using existing resources; therefore, any impact to the courts is estimated to be not significant.
- Prohibiting a metropolitan government from conditioning approval of a contract, legislation, or issuance of a permit, approval, authorization, or other entitlement of any type, upon the private entity being a party to a community benefits agreement will have no fiscal impact on local government; it is assumed that a metropolitan government would base such actions on other conditions.
- Prohibiting a metropolitan government from discriminating against or offering preferential treatment to a private entity based on the private entity being a party to a community benefits agreement is not expected to have any fiscal impact on local government.
- Tenn. Code Ann. § 13-4-303(a) requires a municipal planning commission to hold a public hearing prior to adopting subdivision regulations or amendments.
- It can be reasonably assumed that metropolitan governments comply with the aforementioned statute. Therefore, the proposed legislation is not expected to have any significant impact on the number of public hearings or public notices required.
- It is assumed that enactment of subdivision regulations by ordinance is common practice and would not have any fiscal impact on local government.
- In the event that enactment through ordinance is a new requirement, then any enactment or ratification of regulations would take place at a regularly scheduled meeting of the metropolitan council, resulting in no significant fiscal impact to local government.
- Requiring a planning commission to base subdivision plat decisions solely upon compliance with the subdivision regulations and the applicable zoning ordinance rather than upon the general or regional plans for development will have no significant fiscal impact on local government.

\*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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